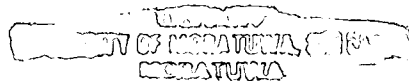


ROLE OF VILLAGE HYDRO PROJECTS IN RURAL ECONOMY



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The Dissertation was submitted to the Department of Civil Engineering of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Masters of Business Administration.

Supervisor: Mr. Ajith D.Jayasekera.

Co-Supervisor: Dr. N. Gunawardana

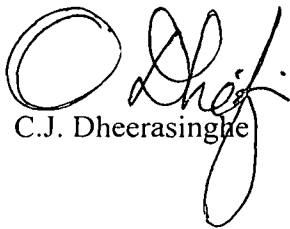
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DECLARATION.

"I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or Diploma in any University to the best of my knowledge and believe it does not contain any material previously published, written or orally communicated by another person except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for interlibrary loans, and for the title and summary to be made available to outside organizations."



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To the best of my knowledge, the above particulars are correct.



Ajith D. Jayasekara.
supervisor

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ABSTRACT:

Poverty and poor life standard of the rural community are some of the characters that could show the under development of the rural economy of the Island. The Governments had tried to eliminate the poverty from rural communities with the assistance of donor agencies through out many decades, but the success of these attempts is still doubtful. Donor agencies, as well as the Government have identified “**Lack of energy supply to the rural areas**” is one of the major obstacles to achieve the goals of these attempts.

Government with the assistance of the donor agencies such as World Bank has introduced village hydro electrification projects as an option for rural electrification. The main objective of the Government is to eradicate the poverty and up grade the life standards of rural community by the growth of rural economy as a result of electrification in rural areas.

This research is an attempt to evaluate whether the objectives of the village hydro projects (objectives of the Government, objectives of the Funding Agencies and expectation of the rural community) have been achieved or if not identifies the drawbacks of village hydro project industry. Finally an attempt has been made to give recommendations to develop village hydro projects as a faceable industry while guarding its social aims up to the standards.

For the purpose of data collection, three case studies have been done base on three village hydro projects, which have been funded by Sampath Bank. The reasons to select these three projects are availability of resources and easy access.

Data were collected by literature survey on three projects, using a questionnaire and face to face interviews conducted with selected samples of villagers in these areas. Questionnaire was given to three samples of (minimum 30 each) villagers of above three projects. Data of social impact and drawbacks of these projects were collected by face to face interviews with selected samples of villagers.

At these three case studies, economic and social impacts of the village hydro projects have been identified. But in these case studies, an attempt hasn't made to do test the technical feasibility of village hydro electrification projects. Observations have done in

business angle rather than technical. As such more qualitative data has been collected and analyzed rather than quantitative data. There is an opportunity in future to do a research on technical feasibility of village hydro electrification projects.

Collected data have been analyzed by using the methods of SWOT analysis and PEST analysis. Cost- benefit analysis has been used to identify the acceptability of the projects and level of satisfaction of the consumers. The recommendations and observations to develop village hydro electrification projects as a faceable industry have been given in the last chapter based on the findings of data analysis.



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